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# PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION  
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WASHINGTON, D.C. 20554

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DA 97-2137

CC Docket No. 97-211

Released: October 3, 1997

## WORLDCOM APPLIES FOR SPECIAL AUTHORITY TO TRANSFER CONTROL TO TRUSTEE OF MCI LICENSES AND AUTHORIZATIONS

### Pleading Cycle Established

**OBJECTIONS:** October 10, 1997, noon  
**OPPOSITIONS:** October 15, 1997, noon  
**REPLIES:** October 17, 1997

On October 1, 1997, WorldCom, Inc. (WorldCom) commenced an exchange offer (the Offer) for all the issued and outstanding stock of MCI Communications Corporation (MCI). On October 1, 1997, WorldCom also filed with the Commission a Consolidated Application for Transfer of Control of MCI Communications Corporation and Request for Special Temporary Authority (Application). Because the Offer is an unsolicited tender offer, colloquially termed a "hostile" tender offer, that is competing with the proposed acquisition of MCI by British Telecommunications plc (BT), WorldCom seeks authority from the Commission for transfer of control of MCI from MCI's current shareholders on a two-step basis. The Application, in Volumes I and II, requests that the Commission grant WorldCom Special Temporary Authority (STA) for an interim transfer of stock of MCI and its licensee subsidiaries pursuant to Section 309(f) of the Communications Act<sup>1</sup> to an independent trustee, Professor Howard A. White of St. John's University School of Law (Trustee). In Volume II, the applicant requests that should the tender of MCI be successful the Commission approve the transfer of the tendered MCI shares to WorldCom.

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<sup>1</sup> 47 U.S.C. § 309(f).

In accord with the Commission's two-step approval process for tender offers,<sup>2</sup> WorldCom has filed, as Volume II of the Application, the STA applications pertaining to the proposed transfer of shares from the shareholders of MCI to the Trustee. Under the STA, and pursuant to a voting trust agreement,<sup>3</sup> the Trustee would receive and, pursuant to certain restrictions, vote MCI's shares and exercise control of the licensed facilities pending Commission action on the applications for transfer of control to WorldCom. If the Offer is successful, and if the Commission approves the transfer of control to WorldCom, the voting trust would be terminated and the tendered MCI shares would be transferred to WorldCom. If the offer is not completed, the Trustee will dispose of the tendered stock pursuant to the terms of the voting trust agreement, and the voting trust would terminate.

By this Public Notice, we seek comment on WorldCom's request for STA to transfer MCI shares to the Trustee. We will seek comment on the second stage of the application process, i.e., the application to transfer control from the Trustee to WorldCom, in a subsequent Public Notice.

Interested parties may file objections to WorldCom's application for an STA no later than noon on **October 10, 1997**. Oppositions may be filed no later than noon on **October 15, 1997**. Replies must be filed no later than **October 17, 1997**. Service copies of all pleadings should be hand-delivered to all parties. Alternatively, for pleadings filed from outside the Washington, D.C. metropolitan area, service on all parties should be by overnight courier. For administrative convenience, the applications listed below have been consolidated into one docket. Accordingly, for purposes of this Public Notice, new file numbers will not be assigned to the individual applications for transfer of control. All filings regarding any aspect of the proposed merger should reference the docket number assigned to this proceeding, CC Docket No. 97-211.

### **EX PARTE STATUS OF THIS PROCEEDING**

Because this proceeding involves broad issues of public policy and because the BT/MCI transaction<sup>4</sup> and the related Primestar transactions<sup>5</sup> have been treated as

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<sup>2</sup> See *Tender Offers and Proxy Contests*, Policy Statement, 59 Rad. Reg. 2d (P&F) 1536 (1986), *appeal dismissed sub. nom. Office of Communication of the United Church of Christ v. F.C.C.*, 826 F.2d 101 (D.C. Cir. 1987).

<sup>3</sup> See Application, Vol. I, Exhibit A.

<sup>4</sup> *Merger of MCI Communications Corporation and British Telecommunications plc*, Memorandum Opinion and Order, GN Docket No. 96-245, FCC 97-302 (Sept. 24, 1997); see also MCI Communications Corporation and British Telecommunications plc Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, GN Docket No. 96-245, DA 96-2079 (rel. December 10, 1996).

<sup>5</sup> MCI Telecommunications Corp. and PRIMESTAR LHC, Inc., File No. 106-SAT-AL-97; see also TCI

"permit but disclose" proceedings, for consistency purposes we will treat the WorldCom Application also as permit but disclose. Should circumstances warrant, we may designate this proceeding and all interrelated proceedings as restricted. Accordingly, *ex parte* presentations<sup>6</sup> in this proceeding will be governed by the procedures set forth in Section 1.1206 of the Commission's rules,<sup>7</sup> that are applicable to non-restricted proceedings.

## **LICENSES AND APPLICATIONS SUBJECT TO THE STA**

The applications for transfer of control of MCI's authorizations and licenses to the Trustee include numerous Title II and Title III authorizations, licenses, certifications, and pending applications. Listed below is a non-exhaustive list of the types of authorizations and licenses involved in this transaction. They are separated by type of authorization or license and, within that category, by the MCI subsidiary that holds the authorization or license. Each MCI subsidiary may hold multiple authorizations or licenses of a particular type. Interested parties should refer to the transfer of control applications contained in the Application for a listing of the authorizations and licenses encompassed by the Offer. Parties should be aware that WorldCom acknowledges in the Application<sup>8</sup> that, because the MCI Board of Directors has not endorsed the Offer, and because MCI's management has not participated in or reviewed the license and authorization compilation contained in the Application, the Application may have to be amended to identify additional authorizations in the services noted.

### **1. Section 214 and Submarine Cable Landing Licenses**

The following categories of Section 214 and Submarine Cable Landing Licenses held by MCI and its subsidiaries are subject to the Request for Special Temporary Authority:

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Satellite Entertainment, Inc. Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, File No. 91-SAT-TC-97, Rep. No. SPB-90. (rel. July 23, 1997); MCI Telecommunications, Inc. and Primestar LHC, Inc. Seek FCC Consent for Proposed Transfer of Control, *Public Notice*, File No. 106-SAT-AL-97, Rep. No. SPB-96. (rel. August 25, 1997).

<sup>6</sup> An *ex parte* presentation is any communications (spoken or written) directed to the merits or outcome of a proceeding made to a Commissioner, a Commissioner's assistant, or other decision-making staff member, that, if written, is not served on other parties to the proceeding or, if oral, is made without an opportunity for all parties to be present. 47 C.F.R. § 1.1202.

<sup>7</sup> 47 C.F.R. § 1.1206.

<sup>8</sup> See Application, Vol. I at 4, n.5.

General Authorizations (e.g., resale and blanket authorizations):

MCI Telecommunications Corporation (multiple authorizations)

Cable Landing Licenses:

MCI International, Inc. (multiple authorizations)

Section 214 Authorization for Cable Facilities:

MCI International, Inc. (multiple authorizations)

Separate Satellite Systems Authorizations:

MCI Telecommunications Corporation (multiple authorizations)

Other International Section 214 Authorizations:

RCA Globcom (multiple authorizations)  
Western Union International, Inc. (multiple authorizations)  
SOUTHERNNET dba Telecom\*USA  
MCI International, Inc.

Country Authorizations:

MCI Telecommunications Corporation (multiple authorizations)  
MCI International, Inc. (multiple authorizations)

**2. Section 310 Applications**

Fixed Microwave Services

The following Point-to-Point Microwave Service authorizations held by MCI or its subsidiaries are subject to the Request for Special Temporary Authority:

MCI Telecommunications Corporation (WLB728, et al.) (multiple licenses)  
Western Union International, Inc. (WDU239, et al.) (multiple licenses)  
SouthernNet of South Carolina, Inc. (WHO832)  
Teleconnect Long Distance Services and Systems Co. (WLC930, et al.) (multiple licenses)

### Earth Stations

The following Earth Station licenses held by MCI or its subsidiaries are subject to the Request for Special Temporary Authority:

MCI International, Inc. (E930192, et al.)  
MCI Telecommunications Corporation (E8195, et al.) (multiple licenses)  
MCI Telecommunications Corporation (E970076)  
Overseas Telecommunications, Inc. (E950371, et al.) (multiple licenses);  
(KA215 ) (multiple licenses)

### Public Coast Stations

The following Public Coast Station Service license held by MCI or its subsidiaries is subject to the Request for Special Temporary Authority:

Western Union International, Inc. (KPH and WCC)

### Private Land Mobile Radio Services

The following Private Land Mobile Radio Services licenses held by MCI or its subsidiaries are subject to the Request for Special Temporary Authority:

MCI Telecommunications Corporation (KA69811, et al.) (multiple licenses)  
Teleconnect Company (WNMT515)

### Private Aircraft Station Licenses

The following private aircraft station licenses held by MCI or its subsidiaries are subject to the Request for Special Temporary Authority:

MCI Transcon Corporation (N332MC, et al.) (multiple licenses)

## **3. Direct Broadcast Satellite Authorization Application**

The following application for Direct Broadcast Satellite (DBS) authorization, if granted to MCI or its subsidiary, is subject to the Request for Special Temporary Authority:

MCI Telecommunications Corporation (File No. 73-SAT-P/L-96)

## **ADDITIONAL INFORMATION**

Due to the expedited nature of this process, we have not completed reviewing the application for transfer of control. The Commission therefore reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file pleadings as indicated above regarding the Application. An original and four copies of all pleadings must be filed in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c). In addition, one copy of each pleading must be filed with International Transcription Service, Inc. (ITS, Inc.), the Commission's duplicating contractor, at its office at 2100 M Street, N.W., Suite 140, Washington, D.C. 20037 (202) 857-3800; and two copies of each pleading must be filed with: (1) the Chief, Network Services Division, Room 235, 2000 M Street, N.W., Washington D.C. 20554; (2) the International Reference Room, International Bureau, Room 102, 2000 M Street, N.W., Washington, D.C. 20554; and (3) the Wireless Reference Room, Wireless Telecommunications Bureau, Room 5608, 2025 M Street, N.W., Washington, D.C. 20554.

Parties are also encouraged to file a copy of all pleadings on a 3.5 inch diskette in an IBM-compatible format using WordPerfect 5.1 for Windows software in a "read only" mode. Diskette submissions should be in addition to, and not a substitute for, the hard copy filing requirements reviewed above. All diskettes should be clearly labeled with: (1) the party's name; (2) the name of the proceeding and docket number; (3) the type of filing submitted (e.g., comments or oppositions); and (4) the date of submission. The diskettes should be accompanied by a cover letter and filed with: (1) William F. Caton, Acting Secretary, FCC, Room 222, 1919 M Street, N.W., Washington, D.C. 20554; and (2) the Chief, Network Services Division, Room 235, 2000 M Street, N.W., Washington D.C. 20554.

Copies of the applications and any subsequently filed documents in this matter may be obtained from International Transcription Services, Inc. (ITS), 2100 M Street, N.W., Suite 140, Washington D.C., 20037, (202) 857-3800. The applications are also available for public inspection and copying during normal reference room hours at the following Commission offices. In addition, subsequently filed documents are available at the following Commission offices except the Gettysburg office:

**Federal Communications Commission Reference Center  
1919 M Street  
Room 239  
Washington, D.C. 20554**

Wireless Telecommunications Bureau (DC)  
Public Reference Room  
2025 M Street, N.W.  
Room 5608  
Washington, D.C. 20554  
Contact: Maria Ringold 202-418-1350

Wireless Telecommunications Bureau (Gettysburg)  
Public Reference Room  
1270 Fairfield Road  
Gettysburg, PA 17325  
Contact: Sharon Bowers 717-338-2531

International Bureau  
Public Reference Room  
Room 102  
2000 M Street, N.W.  
Washington, D.C. 20554  
Contacts: Mary Cobbs 202-418-1492

For further information, contact Gregory M. Cooke, Network Services Division, Common Carrier Bureau at (202) 418-2351. For information regarding specific applications, please contact the following: (1) International Bureau, Karl Kensinger (202) 418-0773; and (2) Wireless Telecommunications Bureau, Tom Dombrowsky (Commercial Wireless Division), (202) 418-1385, and Mike Regiec (Public Safety and Private Wireless Division), (717) 338-2665.